

FISCAL IMPACT STATEMENT ON BILL NO. **S.332, as Amended**

(Doc. No. JUD0332.015)

TO:	The Honorable Glenn McConnell, Chairman, Senate Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Beth Campbell and Ken Brown		
DATE:	March 6, 2007	SBD:	2007211

AUTHOR:	Senator Martin	PRIMARY CODE CITE:	38-55-530
SUBJECT:	Workers' Compensation Reform		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

Senate Bill 332 would amend multiple sections of the Code of Laws of South Carolina, 1976, affecting the payment of Workers' Compensation claims and the number of Workers' Compensation Commissioners.

EXPLANATION OF IMPACT:

Workers' Compensation Commission

The Commission reports that it would require 4.00 new FTEs for two Commissioners and two Administrative Assistants at an annual cost to the General Fund of \$530,000 for salary, fringe and other operating expenses. There would also be a non-recurring cost to the General Fund of \$30,600 for other operating expenses due to office setup.

Attorney General's Office

The Office reports that it would require 1.00 new FTE for a Forensic Accountant at an annual cost to the General Fund of \$108,000 for salary, fringe and other operating expenses.

State Accident Fund

The Agency indicates this Bill has the potential for a reduced cost of workers' compensation claims due to clarification of benefits and increased predictability. However, the agency is unable to estimate the reduction in claims expenses due to the multiple numbers of factors involved.

Second Injury Fund

The Fund reports this Bill may have a minimal cost to the Uninsured Employers' Fund due to an increase in workers' compensation claims costs.

Department of Insurance

The Agency has been forwarded a copy of the Bill, and the response is pending.

Recapitulation

There will be an annual cost to the General Fund of \$638,000 with 5.00 new FTEs and a non-recurring cost to the General Fund of \$30,600. However, there will also be a savings of General, Federal and Other Funds based on reduced claims costs. Estimated savings amount is undeterminable.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:

A handwritten signature in black ink, reading "Don Addy". The signature is written in a cursive, flowing style with a large initial "D" and a stylized "A".

Don Addy

Assistant Director, Office of State Budget